

Town of Carthage

Interim Town Manager

Thomas Robinson

Town Clerk

Karen O'Hara, CMC

Finance Officer

Kesha Matthews

Director of Public Works

A.H. "Rocky" Davis, Jr.



September 18, 2013

Mayor

Lee McGraw

Commissioners

Jean Riley

Mayor Pro-Tem

Milton "T" Dowdy, Jr.

Artie Barber

Catherine Graham

Pat Motz-Frazier

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
Suite 619
300 North Salisbury Street
Raleigh, North Carolina 27603-5925

Re: Financing of Water and Sewer System Improvements by the Town of Carthage, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the Town of Carthage, North Carolina (the "Town") hereby notifies you of its intent to issue water and sewer system revenue bonds (the "Bonds") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended, in the expected amount of approximately \$1,056,000 to finance the cost of various improvements to the Town's sanitary sewer system, including, without limitation, the construction, expansion and upgrading of pump stations and the relocation and installation of mains and lines (collectively, the "Project"). The Town has received a commitment from The United States Department of Agriculture – Rural Development ("USDA") to purchase the Bonds upon completion of the Project. In the interim, the Town will issue its water and sewer system revenue bond anticipation notes (the "Notes") to finance the construction of the Project. Once the Project is completed, the Town will refinance the maturing Notes with the proceeds of the Bonds. The term of the Bonds will be approximately 40 years from the date of issuance as required by the USDA. The term of the Notes will be approximately two years from the date of issuance. Both the Bonds and the Notes will be secured solely by the net revenues of the Town's water and sewer system.

The Town anticipates that it will receive approval by the North Carolina Local Government Commission on November 5, 2013.

TOWN OF CARTHAGE, NORTH CAROLINA

By: _____

Jean Riley
Mayor Pro-Tem

cc: Vance Holloman, Local Government Commission